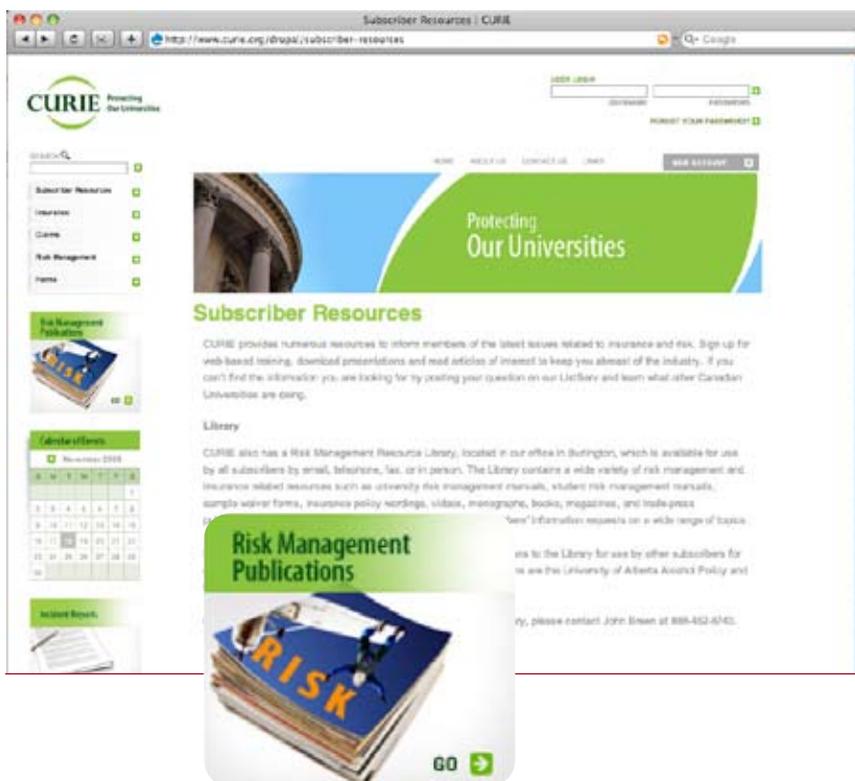


CURIE Website – Update

In our continuing effort to provide more information to our subscribers we have added a new feature to our website, **“Risk Management Publications.”** The icon for this feature can be found on the left side of the CURIE homepage. Subscribers will now be able to access the following publications on a regular basis: “Hiscox War Terrorism & Political Violence” and “Risk Management for Campus Recreation.” You may find of interest the 2008 Marsh Education Risk Benchmark Report. You will find a copy of this report under **“Subscriber Resources – Articles of Interest.”**

A new section under “About Us” is **“Subscriber Risk Management Webpages.”** Links to other subscribers’ risk management webpages are being added to this section. If you would like yours added to the section, please forward the link to John Breen at jbreen@curie.org.

If you have any articles, photos or ideas for our website, please forward them to John Breen at jbreen@curie.org.



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- Protecting Your Facilities This Winter
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Serving Our Members

We understand that the increasingly broad and complex scope of university operations can present you and your colleagues with many, and sometimes unusual, risk and claim-related questions. It’s most likely, however, that the CURIE staff, through its dealings with the other 58 CURIE subscribers, have encountered issues like yours. If not, we’re highly experienced in finding answers through our network of contacts.

Don’t hesitate to call or e-mail us if you have a question. We are here to help you manage your risks and protect your university – and we are always looking for ways to serve you, our valued members, better.

Protecting Your Facilities This Winter

(c) 2005 FM Global (www.fmglobal.com). Condensed and reprinted with permission from "Protecting Your Facilities From Winter Storms." All rights reserved.

Without much warning, plummeting temperatures, gusting winds and heavy snow can create a powerful, devastating weather event capable of collapsing roofs, rupturing pipes, flooding widespread areas – and possibly wreaking havoc on your operations.

If you are not prepared for extreme weather conditions, you could find yourself confronting property damages, business interruption – even lost market share. But there are sound loss prevention measures you can take to protect your facility and minimize the destructive impact severe weather may have on your operations.

Assessing Your Vulnerability

To prevent a significant winter weather-related loss from unfolding at your facility, you must first determine your exposure – for example, the potential for mounding or drifting snow on rooftops – and establish an emergency plan that addresses identified vulnerabilities. Among the questions you should ask to determine your level of exposure are:

- Does your locale usually experience temperate winters?
- Would wind direction or wind chill affect your facility's ability to withstand freezing temperatures?
- Has your locale ever experienced freezing temperatures or several inches' accumulation of snow or ice?
- Do you shut down operations during winter holidays or on weekends?
- Does heat generated by process equipment also supply or supplement building heat?
- Does building temperature drop when process equipment is shut off?

If you answered yes to any of these questions, you could be at risk during severe winter weather.

Loss Prevention Solutions

To ensure your facility is well protected you should review operations to determine key areas vital to business continuity, protect equipment against freeze, flood and similar damage when possible, and develop and test a contingency plan that addresses such issues as loss of critical plant instrumentation, fuel curtailments and fire protection systems. Here's a closer look at some of the specific issues you need to address in order to combat your fiercest winter adversaries: collapse, freeze-up and flood.

Collapse

Whether you're hit by a single storm with heavy, wet snow and high winds or a series of smaller storms, the result is the same: deep accumulation of snow on your roof that can lead to overloading and collapse. Worse, the collapse can lead to all kinds of other problems, such as damage to or destruction of sprinkler piping, electrical conduits and gas, oil or other flammable liquid lines. Add heavy rain to the scenario and the potential for significant loss becomes that much greater. Blocked drains, an inadequate number of drains, or poorly located drains may prevent the runoff of melting snow, which accumulates and freezes to a more dense layer of ice, further compounding your problems.

According to FM Global studies, snow load is the most serious cause of most collapses. And, while the majority of

these collapses have involved multilevel flat roofs, where snow drifts against a change in elevation, other configurations also have contributed to loss statistics. They include bowstring wood-truss roofs, multi-gable roofs and sawtooth roofs. Even canopies over walkways and shipping areas, as well as steel decks, boards on joists and metal roofing systems, have proven highly susceptible.

If you are not prepared for extreme weather conditions, you could find yourself confronting property damage, business interruption – even lost market share.

But a collapse rarely happens suddenly, and in some cases, is the result of more than just one factor. Poor construction along with excessive snow, ice and rain loads are all major contributors, regardless of whether the roof's specified design strength meets local codes. And local building code requirements may be even less than the loads that have resulted from snowstorms that have already occurred. To safeguard your facility from possible collapse, always keep the roof well-maintained, free of excessive snow, and ensure all drains remain clear. You also should review your roof design well before winter using FM Global Property Loss Prevention Data Sheets 1-54, Loads for New Construction, and 1-55, Weak Construction and Design. This should include a review of the drainage system, which is critical when rain falls on a snow-covered roof. Older codes usually did not include the current requirement for secondary drainage, which provides adequate drainage when the primary system is clogged.



Freeze-Up

Frigid temperatures can affect vital areas of your facility, including sprinkler systems, process piping, compressors and compressed air lines, instrumentation and control lines, valves and fittings, heating and air conditioning equipment, steam piping, boilers, water tanks, fire pumps and underground water mains. Clearly, any impairment to these systems would negatively affect your day-to-day operations. In fact, a freeze could cause equipment damage and mechanical and electrical breakdowns that could shut down your entire facility.

Certain occupancies are prone to suffer large freeze losses, especially between December 20-27, when many locations reduce operations and shut down plants for the holidays. A study of freeze-related losses conducted by FM Global for a recent 10-year period revealed that on a frequency basis, mercantile facilities, offices, schools, hospitals, hotels/motels and apartments suffered roughly 43 percent of the freeze losses. Yet, on a

severity basis, the wood-working and mill working, pulp and paper, and chemical industries were more likely to suffer large freeze losses. While these occupancies comprised just nine percent of the total number of freeze-related losses, they accounted for more than half of the total loss dollars paid.

The key is to plan as if freeze-ups were a certainty, even if your facility is located in a warm climate where severe temperature drops are uncommon.

While you can't predict what the upcoming winter season has in store, you can protect your facility and critical operations from freeze-up through sound loss prevention and control measures. The key is to plan as if freeze-ups were a certainty, even if your facility is located in a warm climate where severe temperature drops are uncommon. Freeze prevention and mitigation begins with a carefully drawn freeze plan prepared in accordance with FM Global Property Loss Prevention Data



Sheet 9-18/17-18, Prevention of Freeze-Ups, to prepare buildings, equipment and personnel for the season's potential impact. Make sure to develop and train your ERT well before winter to deal with pre-storm precautions, as well as address events during and after a storm.

Above all, be sure to maintain normal activities (heat-producing and attendance) during severe weather so as to maintain heat and awareness during the expected freeze.

Continued on page 4

Safeguarding Fire Protection Systems

A freeze-up of automatic sprinkler systems, waterspray systems and portable extinguishers can mean water damage to interior contents, damage to sprinklers and piping, or worse – an impaired fire protection system that creates the potential for a highly destructive fire to sweep through your facility. To safeguard your fire protection system during cold weather, it is critical that you maintain sufficient heat in all buildings, especially in sprinklered areas. Sprinkler piping is typically run within concealed areas, with only the sprinkler heads showing. To mitigate a freeze-up, you should monitor the temperature of susceptible areas, such as concealed spaces, eaves, areas with no direct heat, stairwells and shipping departments with large doors that are often open. In addition, make sure all fire pump suction lines, wet pits or suction tanks are properly maintained, kept free of ice and heated as necessary (follow FM Global's Red Tag Permit System

(P7427) to help monitor impairments to fire protection systems).

Should a freeze-up occur, provide extra heat and safely thaw out frozen equipment and systems. Once the storm has passed, quickly restore impaired fire protection systems and provide ERT members with phone numbers of outside contractors who can immediately repair breaks in the sprinkler system.

Flooding

Deep snow cover, frozen terrain and heavy, warm rains create the worst-case flood scenario. During times of extreme cold weather, nearly all rainfall and snowmelt becomes runoff because the ground is frozen and cannot absorb water. The outcome of such a scenario could be devastating. But there are measures you can take to minimize your exposures to this risk. The most basic way to protect your facility from a flood is to avoid locating in a flood-exposed area. Short of that, use the 500-year flood level as a

yardstick and position important items as high above that level as possible.

You also should investigate nearby exposures to determine how flooding near your site may impact access and operations at your facility, even if your site is not directly flooded. What roads, shipments, utilities, suppliers, or customers, for example, might be affected and under what flooding conditions? Will fire protection or fire service response be affected? FM Global's publications, *Preparing for Flood Potential* (P9803) and *Flood Checklist* (P9805), offer invaluable information regarding flood preparedness.

Remember: a pre-season action plan and an organized workforce will prepare your facility for whatever the winter season may bring; appropriate procedures during the season and following any loss will help minimize damage and expedite a return to normal operations.

The staff at CURIE wish all our readers a happy holiday season!

Overlapping Coverage and Equitable Contribution/Subrogation

Canadian Universities Reciprocal Insurance Exchange v. CGU Insurance Co. of Canada (2007) O.J. 3612 (Ont.C.A.) per Blair, J.A. (3475)

This case involved the responsibilities of various insurers with respect to an overlapping coverage situation.

On September 25, 1996, Lam was injured while sparring with a fellow judo classmate, following a formal class session at the University of Windsor Judo Club. He was rendered a quadriplegic. His claim against the various defendants was settled and paid by the University's insurer, The Canadian Universities Reciprocal Insurance Exchange ("CURIE"). It was agreed that the apportionment of liability among the various defendants would proceed subsequently.

The University of Windsor Judo Club (the "Club") had existed as an unincorporated association at the University since 1958. The defendant Judo Ontario was the governing body for member clubs in that province. The UFW Judo Club was a registered member of Judo Ontario, first being registered in the academic year 1994/1995. The accident happened in the 1995/1996 academic year. The UFW Judo Club did not "pre-register" for the academic year as at the date of the incident. Later in the academic year, it did register as a member of Judo Ontario.

The defendant Hamel was the black belt sponsor of the Club. At the beginning of each academic year, he would collect Club fees from the individual registrants. If the number of registrants warranted becoming a member of Judo Ontario (so as to enable Club members to participate in Judo Ontario events), Hamel would collect a further amount from the Club members and register as a "member club" of Judo Ontario.

The defendant Hamel was ill in September 1996 and asked the defendant Temple (a brown belt member of the Club) to take the class for him on the evening in question. Hamel was present at the beginning of the meeting to greet participants and sign up new members. He left early, leaving Temple in charge of the class. The defendants Hamel and Temple were individual members in good standing of Judo Ontario.

It was agreed that the apportionment of liability among the various defendants would proceed subsequently.

After the class ended, a number of participants, including Lam and a fellow student, Piesec, continued to spar together informally. Lam was injured as noted above.

Lam and his family members sued the University, Judo Ontario, Hamel, Temple and Piesec. The claims were settled for \$2.75 million, pursuant to an agreement whereby the settlement was funded by CURIE, with the liability of the defendants to be apportioned in subsequent proceedings.

In the liability apportionment trial, the judge found the University, Hamel and Temple to be equally responsible for the accident. Hamel was found liable for failing to advise Temple not to leave class members unsupervised to practice on their own. Temple was held liable for permitting students to practice after the class was over. The University was held liable as an occupier, for failing to insist that class activities be properly supervised. The trial judge found no liability on the part of either Piesec or Judo Ontario.

Dispute then arose as to each insurer's responsibility with respect to the settlement amount. CURIE provided coverage to the University and to judo instructors Hamel and Temple as University volunteers under the CURIE policy. CGU provided coverage to Judo Ontario and member clubs under a policy originally written by GANCANADA (the "GAN POLICY"). State Farm provided separate coverage for Temple. CGU

acknowledged that the GAN policy constituted primary coverage and that the CURIE policy was an excess policy. CGU disputed that Hamel and Temple were insured under the GAN policy at the time of the accident.

The GAN policy provided as follows as to the definition of unnamed insureds under Section II – WHO IS INSURED, Section II, paragraph 2:

2. Each of the following is also an insured:

- a. Your employees or your volunteers, other than your executive officers, but only for acts within the scope of their employment by you or, in the case of volunteers, within the scope of their duties assigned by you...
- b. Any member while participating in or training for a sanctioned sporting or social event. [Emphasis added by the Court].

The GAN policy defined the term "sanctioned event" as follows:

It is understood and agreed that the insurance provided by this policy with respect to the playing of or taking part in practicing [*sic*] or training for sports shall apply only to sanctioned events as described below:

Sanctioned events shall mean all games, competitions or sports demonstrations run by you or by member clubs authorized by you or by member clubs authorized by you including related training at sites of events and club premises. Authorization can either be by way of a written procedure manual or specific agreement in writing by your authorized executives.

CGU acknowledged that training classes were included in the term “games, competitions or sports demonstrations” and that training classes by member clubs were “authorized” by Judo Ontario for the purposes of the definition of “sanctioned event.” CGU argued, however, that the University of Windsor Judo Club was not a “member club” at the time of the loss (because it had not “pre-registered” or paid Judo Ontario fees for the 1995/1996 academic year). Accordingly, CGU argued that the definition of unnamed insureds, noted above, did not apply to Hamel and Temple.

Judo Ontario’s governing bylaws find a member in good standing as follows:

1.01(g) “Member in good standing” means a person who is a member of [Judo Ontario] and who is not in arrears with regard to fees.

Of particular importance were the provisions of bylaw Article 2.03 with respect to the suspension and expulsion of members of Judo Ontario.

2.08 Suspension and Expulsion

The board may suspend and expel any member for any of the following reasons:

(a) if a member is more than six (6) months in arrears in his payment of fees.

(b) if a member contravenes the by-laws of [Judo Ontario], or

(c) if a member has acted contrary to the standards of behaviour and ethics of Kodokan Judo.

Before this can be done, such member must be served with a written notice stating the alleged offence, and the fact that in the event of non-payment of fees or no justification of his actions within thirty (30) days from the date of the notice, he shall be subject to suspension or expulsion upon resolution of the board of directors.

(d) In the event of a member being suspended or expelled from a club, the supervisor of said club shall notify the association.

The trial judge found that the only consequence of a judo club failing to register with Judo Ontario in any given year was that individual members of the Club would be unable to participate in Judo Ontario events. However, she also found that the defendants Temple and Hamel were individual members in good standing with Judo Ontario at the time of the accident. She found that although the Club did not register initially for the 1995/1996 academic year with Judo Ontario, there were “no legal requirements that prevented the Club from carrying on.” She found that Judo Ontario proceeded on the basis that a club ceased to be a member at the end of a registration period if it failed to renew its registration by submitting a new registration and paying the fee. This was also the view reflected by representatives of that organization who testified. In effect, their position was after the 1994/1995 academic year ended, the University of Windsor Judo Club ceased to be a “member club” of

Judo Ontario when it did not register for the next academic year. This argument was accepted by the trial judge who, accordingly, held that Temple and Hamel were not covered under the GAN policy, since their activities at the time of the accident were in relation to the University of Windsor Judo Club. It had been agreed at trial that if the GAN policy did cover Temple and Hamel at the time of the accident, CGU would be obliged to contribute its \$1 million dollar limit towards the settlement.

Dispute then arose as to each insurer’s responsibility with respect to the settlement amount.

CURIE also sought equitable contribution from CGU with respect to the defence costs in the Lam action, which totalled just over \$22,000.00.

HELD for CURIE; appeal allowed and CGU obliged to contribute \$1 million dollars plus a *pro rata* share of the defence costs.

(a) The Court found that the University of Windsor Judo Club was a “member” of Judo Ontario at the time of the accident, albeit not a “member in good standing.” As such, the Court held that Hamel and Temple were volunteers within the scope of their duties assigned by a “member club” and thus unnamed insureds pursuant to Section II, paragraph 2 (quoted above). The Court held that the Judo Ontario bylaws, paragraphs 2.03, provided for a process which Judo Ontario did not pursue so as to formally end the “membership” of the University of Windsor Judo Club. The Court held that the only consequence of a judo club

that remained a “member club,” albeit not a “member club in good standing” was that each individual members were unable to participate in Judo Ontario events or competitions. The Court held as follows:

2.08 Club Membership

Clubs requiring membership in the association shall submit to the board of directors a completed application for club membership, accompanied by fees, as determined by the board, and shall also be sponsored by a black belt member in good standing in the association.

2.09 Participation in Association Events

Participants in any association event shall be members in good standing of the association.

25. As I read the provisions of the Bylaw, members remain members unless they resign (section 2.02), or are suspended or expelled (section 2.03). Neither happened with respect to the Club, which was admitted to membership in Judo Ontario during the 1994-1995 academic year. While the Club had not paid its fee for the 1995-1996 academic year, and hence was not “registered” in the eyes of Judo Ontario, it was still a member. The failure of the Club to pay fees provided Judo Ontario with the grounds to suspend or expel the Club (section 2.03(a)); however, notice of neither its default nor its opportunity to cure the default within 30 days was given to the Club, and no suspension or expulsion resolution was passed by the board (section 2.03). As a result, the Club remained a member of Judo Ontario, albeit not a “member in good standing.”

29. Judo Ontario and the clubs may have proceeded on the basis that the Bylaw resulted in automatic termination of clubs without further action of the board in the event of non-registration – as CGU argues the Judo Ontario representatives testified – but what really happened in terms of

the governing Bylaw was that those clubs ceased to be “members in good standing” for that period. The practical effect was the same. A club that was not a member in good standing could not participate in Judo Ontario events (section 2.09). Consequently, its members could not benefit from participating in those events under the club’s banner.

30. I see no reason why the language of section 2.03 should not be given its plain and ordinary meaning: to be suspended or expelled from membership, a member – including a member club – must be given notice and an opportunity to cure the default and be subject to suspension or expulsion by resolution of the Judo Ontario board. That did not happen with respect to the Club. I am accordingly satisfied that at the time of the accident giving rise to Mr. Lam’s injury the Club remained a member of Judo Ontario. It is therefore a named insured under the GAN Policy and coverage is provided to Mr. Hamel and Mr. Temple under Section II, paragraph 2(a) because they were volunteers acting within the scope of their duties assigned to them by the named insured at the time.

31. Mr. Monaghan raised a secondary argument under Section 11, paragraph 2(b) of the GAN Policy, submitting that Mr. Hamel and Mr. Temple were members of Judo Ontario “participating in or training for a sanctioned sporting event.” I think there is merit in this submission as well, once it has been determined that the Club remained a Member Club of Judo Ontario at the time in question.

32. Messrs. Hamel and Temple were members of Judo Ontario at the time of the accident. CGU acknowledged at trial that training classes are intended to be covered by the phrase “games, competitions or sports demonstrations” in Endorsement No. 2 of the Policy, and that training classes at Member Clubs are “authorized” by Judo Ontario for purposes of the definition of a “sanctioned event” in

the Policy. The event was run by the Club. While neither Mr. Hamel (who had left for the evening) nor Mr. Temple (who was left in charge) were directly participating in the post-session jousting, they were participating in a broad sense because Mr. Hamel was the person in charge, and on his departure, Mr. Temple became his delegate.

(b) The Court also held that the CGU was obliged to indemnify with respect to Temple and Hamel on another basis: because it was arguable that they were members of Judo Ontario, the duty to defend was triggered since the allegations pleaded by Lam may have been covered under the GAN policy:

34. The trial judge rejected CURIE’s claim in this regard on the basis that it was dependent upon CURIE “establishing that Temple and Hamel were entitled to coverage under the GAN Policy.” In that regard he was in error since an insurer’s obligation to defend is “wider than, and independent of, its obligation to indemnify”: *Broadhurst & Ball and Allport v. American Home Insurance Co.* et al. (1990), 1 O.R. (3d) 225 (C.A.), at 231. The test is not whether the insured is entitled to coverage under the policy: *Nicols v. American Home Assurance Co.*, [1990] 1 S.C.R.801, at para.11.

35. For the purposes of this appeal, however, this distinction is not pertinent, as I have concluded that the GAN Policy must respond to the event. Accordingly, CURIE is entitled to recover CGU’s *pro rata* share of the expenses relating to the Lam action.

(c) Given that CURIE was entitled to contributions from CGU with respect to the settlement, it was also entitled to equitable contribution from CGU with respect to CGU’s *pro rata* share of the defence costs of \$22,701.75. It was held that CURIE had equitable subrogation to that amount.

Thanks to all who joined CURIE for the 20th Anniversary Reception on Friday, September 19th at the CN Tower.



The Inspector

By far, my favourite inspections are those of the fine arts buildings. Not because of any perverse pleasure derived from uncovering truly classic violations do I so enjoy these visits, but rather because I leave with a truly enhanced set of perceptions.

Today, after touring a large university art department, it became patently clear to me that indeed a good inspector is like a fine painter.

Any “schlub” with a bit of knowledge of how things work and a copy of the fire code can fill reams of paper with citations. It takes an artist to turn a life-safety inspection into a vehicle of change.

The effective inspector must paint a picture of every building for its occupants. This picture must include elements that exist only in potential: fire, smoke, noise, hysteria, pandemonium, to name a few.

The inspector as painter enables the occupant as viewer to see a scenario that is possible and maybe even imminent that heretofore was barely imaginable and seen as unlikely.

The inspector as painter, summoning every ounce of talent possible, allows the occupant as viewer to viscerally experience the unmitigated horror of a building on fire.

So much for the theory. But what does all this mean in the real world? Or in other words, Phil, what in the world are you talking about?

One of our readers writes to *The Inspector* seeking guidance on how to deal with faculty and staff that insist on putting desks, chairs and file cabinets in egress

corridors. He likewise laments his inability to expedite the speedy removal of unwanted and discarded furnishings from hallways.

My answer is twofold: First, one must be firm and implement the unambiguous sentiment expressed by one model code: “Required exit accesses, exits or exit discharges shall be continuously maintained free from obstructions or impediments to full instant use in the case of fire or other emergency.” (ICC)

Secondly I advise: Paint a picture. With bold brush strokes show their minds’ eyes the reality of a fire that doubles in size every thirty seconds. Let them perceive the reality of dense black smoke obscuring vision and inducing flat-out panic after its first inhalation.

“Full instant use” means get out right now, flee for your very lives. There is no time, especially for those with disabilities (yes, they go to school here as well), to probe and meander their way out of the building. Paint them a picture.

We as inspectors, especially those with firefighting experience, have knowledge of events and circumstances that are often inconceivable to the average building occupant we encounter. We know that fires can and do happen and will again, maybe even in the next five minutes. It is our job to convincingly convey these hard truths that we alone know with certainty.

Architects and designers are also in need of our artistry. They too, despite all their creativity, struggle as well to get past the black ink on the white paper.

Recently, an architect questioned me on my insistence that fire department

connections on an obscure corner of the building be prominently labelled, be of a minimum height above grade and be accompanied by an audible device on the wall activated by sprinkler water flow. “Is this all necessary?” he asked. “You’re ruining my building!”

Again, I showed him chapter and verse. And then I proceeded to paint a masterpiece. 3:43 AM, January 29th. Temperature: 11F. Snow falling, 14 inches already on the ground, blowing and drifting. First arriving engine company reports a heavy smoke condition and fire showing from the 11th floor, requesting your company to immediately charge the standpipe system. But where is it?

Visibility is hampered by the snow, getting worse as the smoke, burning debris and shards of glass begin cascading to ground level. Still no sight of the FDC. It is not in the front of the building. Is it in the rear, or maybe buried in the snow?

The radio crackles with the most feared words of all: possible entrapment. The first company makes entry and expects water when they arrive at the landing below the fire. Yet you still have not located the connection. A sense of desperation rolls over you like a wave.

“Stop!” “You win, I get the picture!”

Philip Chandler is a long-time firefighter and a fulltime government fire marshal working extensively in the college environment – from large public university centres to small private colleges. His primary responsibilities include code enforcement and education.

Phil welcomes your comments, thoughts and opinions (whether in agreement or opposition to his viewpoints). He may be reached at : theinspector@campusfire.org.

CURIE Risk Management Newsletter



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CURIE Update:

STATEMENT OF INCOME AND EXPENSES

For the three months ended September 30, 2008

	2008	2007
Written Premium	\$ 20,536,114	\$ 19,718,711
Earned Premium	15,365,951	14,788,269
Less Reinsurance Costs	895,782	14,788,269
Net Earned Premium	14,470,169	14,788,269
Net Incurred Claims	17,508,393	14,788,269
<i>Net Loss Ratio</i>	121%	112.54%
Underwriting Profit (Loss) Before Operating Expenses	(3,038,224)	(1,801,438)
Operating Expenses	2,248,208	2,045,748
<i>Net Operating Expense Ratio</i>	15.54%	14.24%
<i>Combined Ratio</i>	136.53%	126.78%
Underwriting Profit (Loss)	(5,286,432)	(3,847,186)
Income from Investment	1,943,454	1,870,624
Other Income	511,518	1,500
Other Comprehensive Income (Loss)	(2,022,402)	74,737
NET PROFIT (LOSS)	(4,853,862)	(1,900,325)

Note – Our underwriting loss is a result of large reserve increases on two liability claims and four large property claims occurring during this quarter.

The "Other Comprehensive Income" loss is due to reductions (5.03%) in the market value of our investment portfolio.